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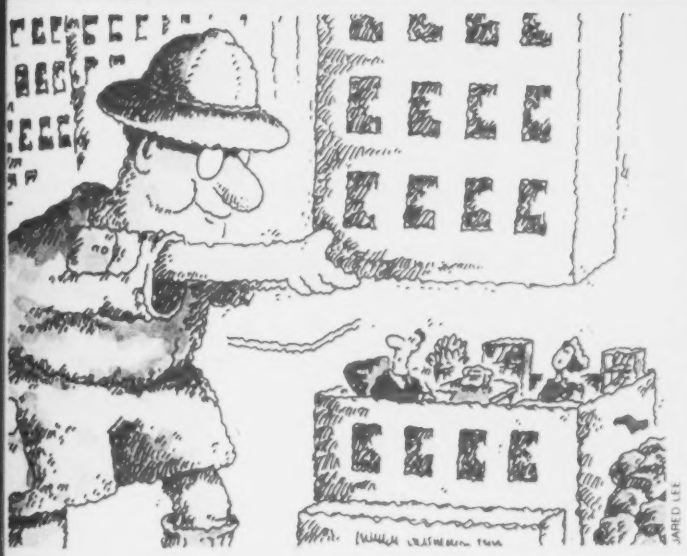

Executive safari

The stakes are high for everyone when a company brings in a headhunter to find new personnel: The destinies of individuals and entire firms can be affected by how recruiters do their job. Who are these people, what do they do that you can't, and what are your options when you spend $25,000 to hire someone who doesn't work out? **116**

Eliminating the RDA: Good for business?

In one bold swoop, *Reader's Digest* has done away with the Retail Display Allowance (RDA), preferring instead to give retailers a discount up front. If the move gives the *Digest* bonus points with retailers, can other titles afford not to follow suit? **13**

Pretesting lists

Everyone says you must test lists, but sometimes it's too expensive and time consuming. Still, you can do more than follow hunches. To minimize up-front risk, you can pretest. The four pretesting techniques outlined here will make it possible for you to mail untried lists with a fair amount of confidence. **132**

ELIZABETH HORTON

Jim Horton: Out on a limb

An innovator and a risk taker, Jim Horton is trying to bring together all the players interested in using selective binding for target marketing. Everyone is hot on the idea, but slow to sign up. Is Horton a man ahead of his time? **47**

Venture's Lipper admits mistakes

As Drake Publishers takes control of the ailing magazine, Arthur Lipper tells how he made many of the mistakes he warned others about. He may recoup his multimillion dollar investment if Drake can bring *Venture* back to its zenith. **57**

(unfold ——→)

September 1989

LAWRENCE FRANK

Taking pre-press overseas 16

Sure, you could save on certain costs when you bring your color work and pre-press to the Far East, but can you afford to risk delays and other hassles?

Handling numbers in print 108

Numbers can be the most powerful "words" an editor uses. But handled incorrectly or inaccurately, they can do you in. Here's a clear outline of common problems.

New twist on address changes 20

"Postal Buddy," soon to be tested, could bring about a faster, easier way to capture new movers—and even has the potential to snag new subscribers.

Promoting your ad package 127

Are you getting all you can from the discounts you are giving away? In part 2 of "The ad package payoff" you'll learn how to promote and sell your package.

TECH TRENDS
Folio:

Equipment needs

DTP for magazine production isn't low cost anymore. Here's how to get what you need. **97**

Mastering GCR

Gray Component Replacement remains controversial, but understanding the color separation process is the first step to seeing its benefits. **102**

Lightspeed adds muscle

Weider's titles see power and speed of electronic color design in new system. **93**

Produce color press plates directly from desktop. **93**

Technology is changing the roles of editors. **93**

Advancing still-video technology is shaving deadlines. **94**

UPDATE

Newspaper distribution: Healthy option? **15**

Alcohol ad pressure launches print bonanza. **24**

Video magazine aims for mass market. **25**

Titles recover from Canada's tobacco ad ban. **27**

Games mixes ad and edit. **28**

Alaska oil spill leads to ad slide. **28**

New perspective on "space" sales. **36**

COLUMNS

Bad presentations, by Walter Joyce. **137**

Schedules: What if . . . ? by Jeff Parnau. **149**

Cover blurbs, by John Peter. **155**

Closing attitudes, by Helen Berman. **159**

DEPARTMENTS

Briefings 7
Joe Hanson on Magazines 11
Update 13
Magazine People 47
Magazine Watch 57
List Watch 71
Calendar 86
Literature Showcase 164
Classified 179
Point of View 190

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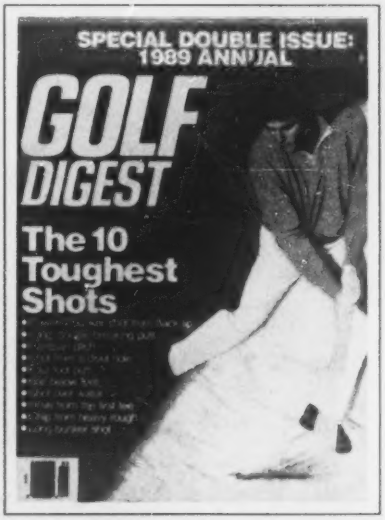

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Vol. 18 No. 9

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UPDATE

Healthy ad growth for consumer titles

The Seven Sisters and travel titles rack up biggest ad page gains in first half 1989

Top page gainers, first half 1989

	'89 pages	'88 pages	% change
1. *Victoria*	156.9	52.6	198.3
2. *Lear's*	318.6	122 5	160.1
3. *Child*	207.5	124.9	66.1
4. *Soap Opera Digest*	234.5	141.7	65.5
5. *Golf Illustrated*	283.3	178.1	59.1
6. *Harvard Business Review*	228.8	148.2	54.4
7. *Entrepreneur*	903.8	590.3	53.1
8. *Conde Nast Traveler*	461.4	304.9	51.3
9. *Cooking Light*	153.6	107.9	42.3
10. *Country Home*	225.1	159.4	41.2

Source: PIB

***Most page gainers** also topped out in revenue increases:* Victoria *jumped 424 percent;* Lear's, *340 percent, and* Golf Illustrated, *135 percent.*

New York City—The first half of 1989 appears to be the best in memory for many women's titles—especially the Seven Sisters. All but one, *Redbook*, reported ad page increases to the Publishers Information Bureau (PIB). And most gains were sizable—22.5 percent for recently sold *McCall's* and 25.3 percent for *Ladies' Home Journal*. The *Journal*, for one, marked its best ad performance in 40 years.

Overall, it was a healthy first half for the 166 consumer titles currently reporting to PIB. Advertising pages increased to 87,269, an improvement of 4.4 percent over the first half of 1988—the exact percentage growth in pages enjoyed by 156 magazines in the first half of 1988.

Magazine advertising revenues, too, increased to $3.2 billion, up 12.4 percent over the first half of last year. PIB, however, bases revenue totals on page counts, and does not figure in discounts or negotiated rates.

For the first time, the top three revenue-producing magazines—*Time*, *Sports Illustrated* and *People Weekly*, registering a six-month total of more than half a billion dollars—were all published by the same company, Time Inc. (Those titles, however, are all part of Time Inc.'s free-page MaxPlan.) Sixteen of the 50 top revenue producers registered revenue gains of over 20 percent, led by *Vanity Fair*'s 58 percent increase.

Deserting TV

The return of the Seven Sisters seems largely due to the increasing fragmentation of television audiences brought about by cable stations. To reach a truly massive audience of women, advertisers have been returning not only to *McCall's* and *Ladies' Home Journal*, but to *Family Circle* (up 13.8 percent, to 992 pages); *Good Housekeeping* (up 4.6 percent, to 778 pages); *Better Homes & Gardens* (up 5.6 percent, to 735 pages); and *Woman's Day* (up 12.8 percent, to 879 pages).

Launched last year, *Lear's* improved significantly on its early days, with a 160.1 percent gain, to 319 ad pages. *Ms.*, a frequent ad page loser in recent years, boosted pages by 10.3 percent and ad revenue by 30.9 percent. The only women's title showing considerable losses was *Shape*, down 22.4 percent in pages.

The picture was less sanguine,

(CONTINUED ON PAGE 37)

Retailers praise *Digest* for dropping RDA

But will other magazines follow?

Pleasantville, N.Y.—In an effort to make the title more appealing to retailers, *Reader's Digest* recently became the first major national magazine to eliminate its retail display allowance (RDA) program.

"The race for space has never been more competitive," says Tom Daly, director of sales marketing for the *Digest*. "In the magazine world, we are probably now offering the most attractive pricing for any publication in the field." Although only about 6 percent of its 16 million circulation is on the newsstand, the title still sells nearly one million copies through retailers.

Retailers and wholesalers applaud the *Digest*'s effort. The magazine now gives retailers a 30 percent discount off its $1.89 cover price up front. The previous RDA program gave retailers a 20 percent discount up front, but made them wait as much as 120 days for an additional 10 percent RDA payment.

Daly and others believe the change makes *Reader's Digest* more competi-

Healthy ad growth

(CONTINUED FROM PAGE 13)

however, for women's fashion titles. *Elle*'s sensational ad growth of the past few years has slowed; ad pages grew only 2.3 percent, to 1,038, in the first half. *Vogue* boosted pages 3.3 percent, to 1,510; *Glamour*, *Harper's Bazaar*, and *Mademoiselle* all lost ad pages.

Men's titles also did well in the first half, led by *Esquire*, which grew by 15.3 percent, to 802 ad pages. *Gentlemen's Quarterly*'s ad pages rose 9.4 percent, to 1,005, and the two major "sophisticate" titles—*Playboy* and *Penthouse*—increased pages by 18.8 percent and 12.8 percent, respectively. *Gallery*, however, was down 14 percent in pages. Fashion title *M* also slipped 4 percent in pages.

Desperately seeking travelers

Perhaps outstripping the women's category were the major travel titles, none of which reported declines. *Conde Nast Traveler* led the field with a 51.3 percent gain, to 461 ad pages (a 74.0 percent gain in ad revenue), followed by *National Geographic Traveler*, up 32.2 percent, and *Endless Vacation*, up 30.8 percent in ad pages. Other titles boosting pages were *Travel & Leisure*, up 11.1 percent; *European Travel & Life*, up 9.9 percent; and *Travel Holiday*, up 6.1 percent. In the past few years, most travel books have successfully pursued upscale consumer advertisers, as well as traditional travel and resort advertisers.

Among other magazine groups, gains and losses were more evenly divided. In each of three major categories—shelter, business and general interest—10 magazines gained ad pages, while eight lost.

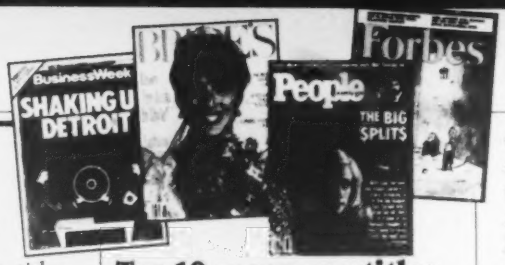
Country Home led the shelter category, with an ad-page gain of 41.2 percent, to 225 pages, followed by *Midwest Living*'s increase of 25.7 percent. *Metropolitan Home* continued its hot streak by boosting pages 17.1 percent and revenues 28.6 percent. Advertisers were less generous with *Practical Homeowner*, which fell 43.6 percent in pages, and *HG*, down 21.2 percent.

Among the business books, *Entrepreneur* proved a major success, increasing ad pages 53.1 percent, to 904, and revenue 88.1 percent, to $6.8 million. Recently sold competitor *Venture*, meanwhile, has gone the other way, losing 31.2 percent in pages and 20.9 percent in revenue.

The big three—*Forbes*, *Fortune* and *Business Week*—all grew in pages, 6.5 percent, 14.3 percent and 7.6 percent, respectively. But other, more specialized business titles struggled in the first half. *High Technology Business* slumped by 42.9 percent in pages; *Manhattan,inc.* fell 25.1 percent; and recently folded *Sylvia Porter's Personal Finance* dropped 18.1 percent from the first half of 1988.

Several stars appeared in the general interest category: *Vanity Fair* maintained its strong performance with a 27.4 percent gain, to 628 pages. *Life* also maintained its stride, picking up 34.3 percent, to 408 pages. And *Premiere* led with a 50.3 percent page gain. *Reader's Digest*, however, suffered a 14.1 percent page loss.

Time, aided by its MaxPlan, led the newsweeklies in ad growth, increasing 12.0 percent, to 1,350 pages. *U.S. News & World Report* gained 3.8 percent, while *Newsweek* fell 0.5 percent. Other distinguished performances in the weekly/biweekly category were turned in by *Us*, up 20.1 percent in pages; *People*, up 9.4 percent, and *Rolling Stone*, up 8.4 percent. *The New Yorker*'s ad troubles continued, as the literary weekly lost 9.9 percent in ad pages.—*M.G.*



Top 10 consumer titles, in pages, first half 1989

		'89 pages
1.	*Business Week*	2,229.7
2.	*People Weekly*	1,879.7
3.	*Bride's*	1,726.1
4.	[illegible]	1,665.5
5.	[illegible]	1,639.8
6.	*TV Guide*	1,606.5
7.	*Vogue*	1,510.1
8.	*Sports Illustrated*	1,488.8
9.	*New York Magazine*	1,405.1
10.	*Time*	1,349.7

Source: PIB

***Just two of the top 10** are monthlies; three others are Time Inc. titles.*

Time Magazine Group

(CONTINUED FROM PAGE 14)

ings as a result of this merger," he adds.

Besides the *EW* launch, the Magazine Group is also faced with options to buy the remaining shares of such joint ventures as *Parenting* and *Hippocrates* later this year and early next. "The merger won't impact if we go ahead and exercise these options," Brack says. "The banks are well aware of what our commitments are."

Several of Time Warner's publishing partners are getting the clear signal that "a good idea will still get money," as Eric Schrier, founder of *Hippocrates*, puts it. A trade spin-off of the magazine, directed to physicians, was recently given the green light by the Magazine Group and is slated for an early 1990 launch.

Don Logan, chief executive officer of Southern Progress, notes, "It's business as usual, and we have received no signals to the contrary." Southern Progress is proceeding with the editorial refocusing of *Southpoint* (formerly *Southern*), the two-year old *Cooking Light* and *Travel South*.

According to Brack, it has been the search for "absolutely the right partners, not financial constraints" that have kept Time from other magazine partnerships. "It seems as if the world thought the magazine division was under siege or that we were going to hunker down and not do anything," Brack says. "*Entertainment Weekly* is the first magazine borne out of our new system for investing in new magazines. We've been working on it for a while—we just didn't announce the idea to the world."—*Abbe Wichman*

Correction

In the August Briefings, FOLIO: reported that Leanna Landsmann, president of *Instructor* under Harcourt Brace Jovanovich, had reportedly vied for ownership of the title, which was recently purchased from Edgell Communications by Scholastic. Landsmann states she has had no connection with *Instructor* since it was sold to Edgell in December 1987.